



Spending Account Solutions: Health Savings Account

Savings for today and tomorrow

Independence 

Putting You in Control of Your Health Care Costs

Your qualified high-deductible health plan comes with a powerful savings tool — a health savings account, or HSA.



An HSA is a tax-advantaged account similar to an IRA (Individual Retirement Account). It works alongside your qualified high-deductible health plan (HDHP) and can be used to pay for eligible health care expenses before you reach your deductible and for copayments afterwards. This combination of savings and insurance gives you both the benefits of traditional health care coverage along with an effective way to help you manage your health care costs.

In addition to using your HSA to pay for health care expenses before you reach your health plan deductible or for copayments, you can also use it to pay for other qualified medical expenses like prescriptions, dental care, and vision care. You can even use account funds to improve your health by joining a weight-loss or stop-smoking program.

Using an HSA with your HDHP creates a winning combination. You benefit financially and have more control of your health care costs at the same time.

Advantages of using an HSA

- Pay for your qualified out-of-pocket medical expenses until you meet your deductible as well as for copayments.
- Pay for other qualified medical expenses not covered by your plan.
- Save money for future qualified medical expenses.

About Your HSA



Contribute to your HSA by:

- Payroll deduction
- Online funds transfer
- Personal check



You pay no taxes on:

- Money you or an employer contribute to your HSA
- Money used from your HSA to pay for qualified medical expenses
- Interest or investment income the HSA earns



You own the HSA so it moves with you if you:

- Change jobs
- Choose a different health plan
- Retire

How Does Your BlueSaver HSA Work?

With an HDHP, the amount you contribute to the cost of your health plan is lower and your deductible is higher. With an HSA you get triple tax savings:

- Use the money you save in premiums to make tax-deductible HSA contributions.
- Take tax-free withdrawals to pay for qualified medical expenses to meet your deductible and to pay for other qualified medical expenses.
- Save for future health care expenses. Pay no taxes on interest and investment earnings.



How to Open and Manage Your Account at ibxpress.com

Your HSA is integrated with your HDHP, so **managing your account is simple and straightforward**. If your employer has not chosen to automatically enroll you in the HSA, you can initiate account opening at ibxpress.com.

Account Fees

With an HSA, you may be charged the following fees:

- A \$1.50 fee for paper account statements. You can easily avoid this fee by opting into electronic statements via the member portal.
- A \$2.50 investment account fee. This fee is assessed by Devenir monthly only to account holders with an optional, self-directed investment account.

Get connected to make informed health care spending decisions

We're here to help you understand and maximize your HSA. Go to ibx.com/getconnected to sign up for email and IBX Wire® text messages so you're getting information to make using your HSA quick and easy.



Self-serve digital tools

Access your account and HSA tools at ibxpress.com and with the IBX mobile app.



Alerts and resources

Stay informed with timely alerts, like account balances, and helpful HSA resources.



Personal support

Call your dedicated HSA customer service team with questions.

Manage Your Account Anytime and Anywhere

You have access to convenient online and mobile tools at ibxpress.com and with the IBX mobile app to:

- Reimburse yourself or pay health care providers directly.
- Check the status of a transaction.
- View deposits, transactions, and claims.
- Track your health care costs.
- Estimate your health care costs.
- Make direct contributions through online transfer.
- Use Ask IBX to help answer your HSA questions.



Paying with Your HSA

You can pay for qualified health care expenses from your HSA quickly and easily with your debit card. It's accepted at places like the doctor's office, pharmacy, and retail stores.

Pay for Qualified Expenses with a Mastercard® Debit Card

Using your HSA to pay for health care services is easy! When you enroll in your HSA, you will receive an HSA Mastercard debit card to be used exclusively for purchases at:

- Doctor and dentist offices
- Pharmacies
- Discount chains and club stores
- Other merchants who sell health care products and services and accept Mastercard

Get key account alerts by email and text

Sign up for alerts at ibxpress.com to get important HSA updates at home and on the go such as:

- Account balance alerts
- Debit card alerts: Transaction denied; card lost or stolen; new card mailed
- Reimbursement processed
- Direct deposit account changed



Why a Health Savings Account May Be Perfect for You



Take control of your health care spending by taking advantage of this valuable savings tool! Here are just a few reasons why millions of people use HSAs to help manage their health care costs.

- **You choose how to use your funds** to pay for qualified health care expenses.
- **It goes where you go**, even if you change employers.
- Account balances roll over from year to year so **unused funds are always yours**, even when you retire.
- You can use it to pay for health care services and products including services — such as dental care — that may not be covered by your HDHP.
- Account funds can be used for health-improvement activities such as weight loss and stop-smoking programs.
- You get **triple-tax savings**. Your contributions are tax-deductible, withdrawals are tax-free when used to pay for qualified medical expenses, and investment earnings are always tax-exempt.
- **Savings are available to spouses and dependents** covered by your Independence Blue Cross health plan.
- **Your money may grow**. Health savings account investment choices include a wide range of savings and investment options.
- **It's convenient**. You get a debit card for easy access to your funds, and everything you need to manage your HSA is in one location at your Independence Blue Cross member website: ibxpress.com.

Start Contributing and Start Saving!

One of the significant advantages of your HSA is that your contributions roll over from year to year. If you don't use the funds to pay for medical expenses, the money remains in your account and has the potential to earn interest through a variety of savings and investment choices.

Let's assume your tax bracket is 15%, state taxes are 3%, and that your investment choices yield an interest rate of 2%. If you contribute \$2,000 to your HSA each year for 10 years and use \$1,000 each year to pay for qualified medical expenses, **you could save over \$3,800 in taxes and benefit from almost \$1,000 in account earnings.**



Investing in Your HSA

Once the money in your HSA reaches a set amount, you have the option to invest a portion of it for long-term growth. This helps you use your HSA to complement other tax-advantaged retirement savings, like a 401(k).

A Health Savings Account: Consider the Advantages

Since you already have a high-deductible health plan, adding an HSA may be a good choice for you because of the significant advantages it can bring to managing and saving for your health care expenses:

- A tax-advantaged way to pay for qualified medical expenses
- Growth potential that may help you save for medical costs you may have in the future, including in retirement
- More control over your health care spending, including the ability to pay for qualified medical expenses not covered by your high-deductible health plan

For more information about the features and benefits of HSAs, visit ibx.com/hsa.

The information in this brochure is not intended to provide legal or tax advice. You should consult with your own legal and/or tax advisor regarding the tax advantages of a spending account.

Independence Blue Cross offers products through its subsidiaries Independence Hospital Indemnity Plan, Keystone Health Plan East and QCC Insurance Company, and with Highmark Blue Shield — independent licensees of the Blue Cross and Blue Shield Association.

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